

AMENDED IN ASSEMBLY MAY 1, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2578

Introduced by Assembly Member Solorio

February 24, 2012

An act to add Section 19534 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2578, as amended, Solorio. Franchise Tax Board: information: tax refund deposits: tax-advantaged savings plans.

Existing law requires the Franchise Tax Board to make a refund to a taxpayer of any overpayment of taxes. Existing law authorizes the Franchise Tax Board to electronically deposit a taxpayer's refund into the taxpayer's checking or savings account.

This bill would require the Franchise Tax Board to include information on its Internet Web site; *and* taxpayer form instructions; ~~and any other~~ publications ~~for taxpayers~~, *as defined*, stating that on *those* tax returns, the *individual* taxpayer has the ability or option to directly deposit all or a portion of a tax refund into an account under specified tax-advantaged savings plans.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19534 is added to the Revenue and Taxation Code, to read:

19534. (a) The Franchise Tax Board shall include information on its Internet Web site, *and* taxpayer form instructions; and ~~any other publications for taxpayers,~~ stating that on returns required to be filed pursuant to Article 1 (commencing with Section 18501) of Chapter 2 ~~of Part 10.2 of Division 2,~~ the *individual* taxpayer has the ability or option to directly deposit all or a portion of a tax refund into an account under the following tax-advantaged savings plans:

(a)

(1) A plan that meets the requirements of Section 401(k) of Title 26 of the United States Code.

~~(b) A plan that meets the requirements of Section 403(b) of Title 26 of the United States Code.~~

~~(c)~~

(2) A plan that meets the requirements of Section 457 of Title 26 of the United States Code.

~~(d)~~

(3) A plan that meets the requirements of Section 529 of Title 26 of the United States Code.

~~(e)~~

~~(4) A Roth 401(k) retirement plan that includes a qualified Roth contribution program that meets the requirements of Section 402A of Title 26 of the United States Code.~~

~~(f)~~

(5) A Roth-IRA ~~individual retirement~~ plan that meets the requirements of Section 408A of Title 26 of the United States Code.

~~(g)~~

(6) A simplified employee pension individual retirement arrangement (SEP-IRA) plan that meets the requirements of Section 408(k) of Title 26 of the United States Code.

~~(h) A savings incentive match plan for employees (SIMPLE) retirement plan that meets the requirements of Section 408(p) of Title 26 of the United States Code.~~

~~(i)~~

1 (7) A traditional individual retirement account (traditional IRA)
2 plan that meets the requirements of Section 408 of Title 26 of the
3 United States Code.

4 (b) *For the purposes of subdivision (a), “publications” means*
5 *Franchise Tax Board publications 737, 776, 1006, 1032, 1095D,*
6 *and all subsequent versions of those publications.*

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